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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/681,390	03/28/2001	Mark Kotlarsky	Kotlarki	3275

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EXAMINER

ABDI, KAMBIZ

ART UNIT	PAPER NUMBER
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3621

DATE MAILED: 01/14/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/681,390

Applicant(s)

MARK KOTLARSKY

Examiner

Kambiz Abdi

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 28 March 2001.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-18 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-18 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 28 March 2001 is/are: a) ☐ accepted or b) ☒ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. §§ 119 and 120

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 13) ☒ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application) since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.
- a) ☐ The translation of the foreign language provisional application has been received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121 since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____.
- 4) ☐ Interview Summary (PTO-413) Paper No(s). _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

DETAILED ACTION

1. Claims 1-18 have been examined.

Drawings

2. The drawings filed on 28 March 2001 are acceptable subject to correction of the informalities indicated below;
3. Applicant has used numbers as designation of communications amongst the entities involved in the transaction, which they have not been defined or designated within the specification, therefore drawings are rendered confusing and not descriptive. In order to avoid abandonment of this application, correction is required in reply to the Office action. The correction will not be held in abeyance.

Claim Rejections - 35 USC § 112

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter, which the applicant regards as his invention.
5. Claims 11-15 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The claims are directed towards a device within a method claim, which there are no steps defining the claimed invention.
6. In claims 11 and 12, the use of "authentication device" phrase makes the claim indefinite and unclear in that neither means nor interrelationship of means nor method steps are set forth in the claim in order to achieve the desired results expressed in the "authentication device" phrase.
7. In claims 14 and 15 The use of "input device" and "output device" phrases makes the claim indefinite and unclear in that neither means nor interrelationship of means nor method steps are set forth in the claim in order to achieve the desired results expressed in the "input device" and "output device" phrases.
8. In the claim 13, the use of "microprocessors, an information storage capacity, a power source, and connecting devices" phrase makes the claim indefinite and unclear in that neither means nor

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interrelationship of means nor method steps are set forth in the claim in order to achieve the desired results expressed in the "microprocessors, an information storage capacity, a power source, and connecting devices" phrase

Claim Rejections - 35 USC § 101

9. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

10. Claims 1-15 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

11. The claims as presently claimed and best understood were considered in light of the new "Examination Guidelines for Computer-Related Inventions" and were found to be non-statutory.

Discussion of the analysis of the claims under the guidelines follows. The specification has been reviewed to see if the disclosed invention is in the technological art and that it has a practical use in the art. The review shows that the system uses a computerized method or system to communicate amongst variable entities that have been claimed in the claims.

12. It is noted that method claims 1-15 fail to recite/define a computer, machine or device that would render the claims in the technological arts and in statutory status. Furthermore, as for claim 1, the invention, as defined by the claim and as best understood by the examiner merely manipulate an abstract idea or perform a purely mathematical algorithm without any limitation to a practical application in the technological arts. However, the claimed invention manipulates data representing attributes and conditions, which are abstract and non-limiting. The invention does not require physical acts to be performed outside the computer independent of and following the steps to be performed by the programmed computer, where those acts involve the manipulation of tangible physical objects and results in the object having a different physical attribute or structure. See *Diamond v. Diehr*, 450 US at 187, 209 USPQ at 8. The steps of computer processing data related to attributes and conditions do not impose independent limitations on the scope of the claims beyond those required by the mathematical operation

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and abstract limitations because the attributes represented by symbols and conditions, which are purely abstract are not actually measured values of physical phenomena. *In re Galnovatch*, 595 F. 2nd at 41 n.7, 201 USPQ at 145 n.7; I, 588 F.2nd at 1331, 200 USPQ at 135.

13. The steps of "identification", "confirmation", or "communication" have no direct effect on the physical world outside the computer. Additionally, all the steps involved in the claimed invention is considered to be performed in a manual way which rendered the claim non-statutory. Thus, the claimed invention merely associates certain data with certain other data (attributes and conditions) and performs a mathematical algorithm without any limitation to a practical application as a result of the algorithm or outcome and is therefore deemed to be non-statutory.

14. Claims 2-15 are rejected as being dependent claims to above mentioned claims that have been rejected under 35 U.S.C. 101. Same rejection rational is applied for rejecting these claims.

Claim Rejections - 35 USC § 102

15. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) The invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent.

16. Claims 1 and 9-18 are rejected under 35 U.S.C. 102 (e) being anticipated by "Electronic Payment Systems", by Donal O'Mahoney et al, Published 1997 by Artech House.

17. As for claims 1 and 16, O'Mahoney clearly teaches a method and system for secure transaction over a network, comprising;

- Communicating a purchase request from first location to a second location;
- Communicating a first identification request from said second location to said first location;
- Communicating a second identification request from said first location to said third location;

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- Communicating a third identification request from said third location to said third location; and
- Communicating a confirmation of identification from said third location to said first location and second location. (See O'Mahoney figures 2.3, 4.2 and associated text section 2.3 pages 11-13, section 4.3-4.4.2 pages 65-68, section 6.2-6.2.5 pages 158-162)

18. As for claims 9, 10, 17, and 18 O'Mahoney clearly teaches all the limitations of claim 1, further; O'Mohoney clearly teaches the utilization of computers and origination of the purchase request is initiated by such computer (See O'Mahoney figures 2.3, 4.2 and associated text section 2.3 pages 11-13, section 4.3-4.4.2 pages 65-68, section 6.2-6.2.5 pages 158-162).

19. As for claims 11-15, O'Mahoney clearly teaches all the limitations of claim 1, further; O'Mahoney clearly teaches the utilization of authentication devices for verification of the identity and validity of the purchase request and payment method (See O'Mahoney figures 6.9, 6.10, and 6.21 and section 6.2.3 pages 160-162).

20. Examiner has pointed out particular references contained in the prior arts of record in the body of this action for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant, in preparing the response, to consider fully the entire references as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior arts or disclosed by the examiner.

Claim Rejections - 35 USC § 103

21. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said

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subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

22. Claims 2, 5, and 6 are rejected under 35 U.S.C. 103(a) as being unpatentable over "Electronic Payment Systems", by Donal O'Mahoney et al, Published 1997 by Artech House.

23. As for claims 2 and 5 while O'Mahoney discloses all the limitations of claim 1, further;

What O'Mahoney does not clearly disclose is the mechanism of encryption of data. It would have been obvious to one having ordinary skill in the art at the time the current invention was made to combine the well known concepts of data encryption and communication in and un-secure open networks for the fact of better security of transmission of data across such open network.

24. As for claim 6, while O'Mahoney discloses all the limitations of claim 1, further;

What O'Mahoney is not explicit about is the method and system of encrypting data for the purpose of transmission of such data over an unsecured communication network. Use of public/private key encryption schemes is a well-known practice in the secure transaction industry. Therefore, it would have been obvious to one having ordinary skill in the art at the time the current invention was made to combine the two concepts to have a more reliable and secure system for data transmission in an un-secure open communication network.

25. Claims 3, 4, 7, and 8 are rejected under 35 U.S.C. 103(a) as being unpatentable over "Electronic Payment Systems", by Donal O'Mahoney et al, Published 1997 by Artech House in view of U.S. Patent No. 6,363,152 to Steve Cornelius.

26. As for claims 3, 4, 7, and 8 O'Mahoney disclose, all the limitations of claim 1, further;

What O'Mahoney does not clearly disclose, is the using of one time use PAD encryption to create encrypted data for transmission over an un-secure open network. However, Cornelius clearly discloses a system and method of using PAD encryption (See Cornelius figure 1, Abstract and column 2, lines 14-

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29). Therefore, it would have been obvious to one having ordinary skill in the art at the time the current invention was made to combine the two concepts to have a more reliable and secure system for data transmission in an un-secure open communication network.

Conclusion

27. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Kambiz Abdi whose telephone number is (703) 305-3364. The examiner can normally be reached on 9:30 AM to 5:00 PM. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James P. Trammell can be reached on (703) 305-9768.

28. Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Receptionist whose telephone number is (703) 308-1113. Any response to this action should be mailed to:

**Commissioner of Patents and Trademarks
Washington, D.C. 20231**

or faxed to:

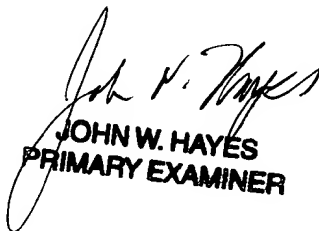
(703) 872-9306 [Official communications; including After Final communications labeled "Box AF"]

(703) 746-7749 [Informal/Draft communications, labeled "PROPOSED" or "DRAFT"]

Hand delivered responses should be brought to:

**Crystal Park 5, 2451 Crystal Drive
7th floor receptionist, Arlington, VA, 22202**

**Abdi/K
December 29, 2003**


**JOHN W. HAYES
PRIMARY EXAMINER**